

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

INSURANCE

SURPLUS LINES INSURANCE FEES

Filed with the secretary of state on June 17, 2024

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the director of the department of insurance and financial services by sections 210 and 1955 of the insurance code of 1956, 1956 PA 218, MCL 500.210, and 500.1955, and Executive Reorganization Order No. 2013-1, MCL 550.991)

R 500.1251 of the Michigan Administrative Code is amended, as follows:

R 500.1251 Surplus lines insurance fee.

Rule 1. (1) Subject to the limitations set forth in section 1915 of the insurance code of 1956, 1956 PA 218, MCL 500.1915, a surplus lines licensee issuing a personal or commercial surplus lines insurance policy may charge a reasonable fee to cover underwriting and other expenses that are unique to surplus lines. Expenses unique to surplus lines may include, but are not limited to, issuing, processing, or auditing the surplus lines policy, but only to the extent the service is provided by the licensee, or the expense is incurred by the licensee, and it is documented and verifiable. Expenses unique to surplus lines do not include costs incurred in maintaining offices and compensating the licensee's employees.

(2) The licensee's fee disclosure to the insured under section 1915(2)(b) of the insurance code of 1956, 1956 PA 218, MCL 500.1915, must include whether the fee was charged in addition to a commission.

(3) The licensee shall provide proof of the itemized fees charged and evidence of the requisite disclosure of the fees to the director on request.